

EASTGATE ESTATES
Statement of Operating Income
For the Test Year Ending December 31, 2009

Line No.	Description	(a)	(b)
1	Wastewater Service Revenues		\$ 5,913
2	Other Operating Revenues		
3	Total Operating Revenue		<u>5,913</u>
4			
5	Salaries & Wages Expense		2,489
6	Sludge Removal		549
7	Purchased Power		351
8	Materials & Supplies Expense		150
9	Contractual Services		324
10	Insurance		259
11	Depreciation & Amoritzation Expenses		355
12	Regulatory Assessment Fees		162
13	Payroll Taxes		190
14			
15	Total Operating Expenses		<u>4,829</u>
16	Before Income Taxes		4,829
17	State Income Tax		52
18	Federal Income Tax		107
19	Deferred Taxes and ITCs Net		
20	Total Operating Expenses		<u>4,988</u>
21	NET OPERATING INCOME		<u>\$ 925</u>
22	Rate Base		\$ 8,580
23	Overall Rate of Return		10.78%

EASTGATE ESTATES

Rate Base

For the Test Year Ending December 31, 2009

Line No.	Description	Proposed Rate Base
	(a)	(b)
1	Gross Utility Plant	\$ 257,000
2	Accumulated Depreciation and Amortization	(10,280)
3	Net plant	246,720
4	Addition to Rate Base	
5	Working Capital	559
6		
7		
8		
9		
10		
11	Deductions from Rate Base	
12	Contributions in Aid of Construction	(248,131)
13	Accumulated Amortization	9,925
14		
15	Customer Deposits	(493)
16		
17		
18		
19		
20		
21		
22	Rate Base	\$ 8,580

Docket NO. 08-0491
15-Aug-08
Exhibit 1.06 EG
Schedule 1.06-4
Page 1 of 1
Revised 12/20/08

EASTGATE ESTATES

Payroll Tax Expenses

For the Test Year Ending December 31, 2009

Line No.	Description	Amount
	(a)	(b)
1	Wages and Salaries	\$ 2,489
2	Employer Payroll Tax Rate	<u>7.65%</u> FICA Rate
3	Payroll Tax Expense	<u>\$ 190</u> Line 1 times line 2

Docket NO. 08-0491
15-Aug-08
Exhibit 1.06 EG
Schedule 1.06-5
Page 1 of 1
Revised 12/20/08

EASTGATE ESTATES
Working Capital Allowance
For the Test Year Ending December 31, 2009

Line No.	Description (a)	Amount (b)	Source ©
1	Operating Expenses	\$ 4,829	Schedule 1.06-1, column (b), line 16
2	Less Depreciation Expense	<u>355</u>	Schedule 1.06-1, column (b), line 11
3	Subtotal	\$ 4,474	Sum of Lines 1 and 2
4	1/8 Method	<u>8</u>	
5	Cash Working Capital Allowance	<u>\$ 559</u>	Line 3 divided by line 4

Docket NO. 08-0491

15-Aug-08

Exhibit 1.06 EG

Schedule 1.06-3

Page 1 of 1

Revised 12/20/08

EASTGATE ESTATES
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2009

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 8,550
2	Weighted Cost of Debt	4.35%
3	Synchronized Interest (Line 1 x Line 2)	373
4	Interest Expense	<hr/>
5	Increase (Decrease) in Interest Expense	<hr/> 373
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.300%	<hr/> \$ (27)
8	Increase (Decrease) in Federal Income Tax Expense	
	at 15.000%	<hr/> \$ (56)